



Gray Davis, Governor
State of California
Business, Transportation and Housing Agency

980 Ninth Street
Suite 500
Sacramento, CA 95814
916-322-1583 voice
916-445-8399 fax
rmartin@dmhc.ca.gov

IN REPLY REFER TO:
FILE NO: 933-0286
CERTIFIED MAIL - RRR

June 12, 2002

Stephen R. Casey, President and CEO
California Dental Network, Inc.
1971 E. 4th Street, Suite 184
Santa Ana, CA 92705

Re: Non-routine follow-up examination of California Dental Network, Inc.

Dear Mr. Casey:

Enclosed is the final report of the non-routine follow-up examination of California Dental Network, Inc. ("the Plan"), conducted by the Department of Managed Health Care ("Department") pursuant to Section 1382(a) and Rule 1300.82(a).¹ The Department issued a Preliminary Report to the Plan on May 28, 2002.

This final report is issued in accordance with Section 1382(c).

Section 1382(d) states "If requested in writing by the plan, the director shall append the plan's response to the final report issued pursuant to subdivision (c). The plan may modify its response or statement at any time and provide modified copies to the department for public distribution not later than 10 days from the date of notification from the department that the final report will be made available to the public. The addendum to the response or statement shall also be made available to the public.

Please indicate within ten (10) days whether the Plan requests the Department to append its response to the final report. If so, please indicate which portions of the Plan's response shall be appended, and provide copies of those portions of the Plan's response exclusive of information held confidential pursuant to Section 1382(c), no later than ten (10) days from the date of the Plan's receipt of this letter. If the Plan requests the Department to append a brief statement summarizing the Plan's response to the report or wishes to modify any information provided to the Department in its response to the

¹ References throughout this letter to "Section _____" are to sections of the Knox-Keene Health Care Service Plan Act of 1975, California Health and Safety Code Section 1340, *et seq.* References to "Rule _____" are to the regulations promulgated pursuant to the Knox-Keene Health Care Service Plan Act, found at subchapter 5.5 of Chapter 3, Title 28, California Code of Regulations, beginning with Section 1300.43.

Stephen R. Casey
California Dental Network, Inc.
June 12, 2002

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preliminary report, then please provide the documentation no later than ten (10) days from the date of the Plan's receipt of this letter.

Ten (10) days from the date of the Plan's receipt of this letter, the Department will make the attached final report available to the public.

If you have any questions regarding this report, please call.

Sincerely,

Richard Martin
Acting Supervising Examiner
(916) 322-1583

Cc: Mark Wright, Chief Division of Financial Oversight
Gil Riojas, Auditor I
Cathi Richards, Counsel

DEPARTMENT OF MANAGED HEALTH CARE
REPORT OF NON-ROUTINE FOLLOW-UP EXAMINATION
CALIFORNIA DENTAL NETWORK, INC.

FILE NO: 933 0286

DATE OF FINAL REPORT: JUNE 12, 2002

EXAMINER IN CHARGE: GILBERT RIOJAS

FINAL REPORT OF NON-ROUTINE FOLLOW-UP EXAMINATION OF CALIFORNIA DENTAL NETWORK, INC.

This is the final report of the non-routine follow-up examination of California Dental Network, Inc. ("the Plan"), conducted by the Department of Managed Health Care ("Department") pursuant to Section 1382(a) and Rule 1300.82(a).¹ The Department issued a Preliminary Report to the Plan on May 28, 2002.

The non-routine examination was limited in scope. It entailed examining the actions taken by the Plan to correct specific deficiencies stated in the Department's final report dated January 5, 2001.

As a result of our non-routine examination, we concluded that the Plan has satisfactorily corrected these deficiencies and nothing of a material nature came to our attention that would indicate material non-compliance with the financial provisions of the Act and Regulations promulgated under the Act.

¹ References throughout this letter to "Section _____" are to sections of the Knox-Keene Health Care Service Plan Act of 1975, California Health and Safety Code Section 1340, *et seq.* References to "Rule _____" are to the regulations promulgated pursuant to the Knox-Keene Health Care Service Plan Act, found at subchapter 5.5 of Chapter 3, Title 28, California Code of Regulations, beginning with Section 1300.43.